

**STATE WATER RESOURCES CONTROL BOARD  
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE  
OCTOBER 2, 2018**

**ITEM 3**

**SUBJECT**

CONSIDERATION OF A PROPOSED RESOLUTION AUTHORIZING FUNDING OF POST-FIRE RECOVERY EFFORTS TO PROTECT DRINKING WATER SOURCES AND THE ENVIRONMENT FROM GENERAL OBLIGATION BOND FUNDED GRANT PROGRAMS, THE CLEANUP AND ABATEMENT ACCOUNT, AND THE NONPOINT SOURCE GRANT PROGRAM

**DISCUSSION**

Multiple wildfires in California have resulted in the Governor proclaiming States of Emergency in numerous counties. State and federal funding is generally available to take immediate action to save lives, protect property and public health and safety, or to lessen or avert the threat of a catastrophe. Funding is also available for the repair, restoration, or replacement of public real property damaged or destroyed by a disaster. In addition, the federal Hazard Mitigation Grant Program administered by the California Office of Emergency Services (Cal OES) can help fund the implementation of mitigation measures that reduce loss to life and property from future disasters.

The area impacted by the Carr Fire drains into the Sacramento River and its tributaries, which serve both as a source of drinking water and provide critical salmonid habitat. With the loss of trees and other vegetation from the fires, excessive sediment loss will occur once the rainy season starts without the implementation of erosion control best management practices (BMPs). Funding available from Cal OES and from the Federal Emergency Management Agency (FEMA) (administered through Cal OES) can potentially be used to implement erosion control measures to protect drinking water infrastructure. Without a nexus to protecting public infrastructure, there are limited resources available to provide an immediate response to mitigate potential impacts to other beneficial uses, such as salmonid habitat, caused by excess erosion from burn areas. In addition, even when disaster mitigation funding is available, less populated rural counties can struggle to provide the match funds necessary to secure a grant award. Funding available from the State Water Resources Control Board (State Water Board) could potentially serve as the required match.

The State Water Board administers numerous funding programs, some of which could be directed to assist in taking immediate action to mitigate the impacts of excess erosion on rivers and streams. The Cleanup and Abatement Account (CAA) is the most flexible funding program. The CAA can be used to address urgent drinking water needs and to cleanup and abate the effects of a discharge of waste, such as excess sediment discharge. The CAA currently has a cash balance of over \$35 million with approximately \$7 million “uncommitted” (not committed to a particular project) and an additional \$3 million in an emergency reserve. The State Water Board has authorized the Deputy Director of the Division of Financial Assistance (DFA) to commit CAA funds for projects that do not exceed \$250,000. CAA funds can be provided as a grant, through a contract, or directly paid for goods or services, depending on the circumstances.

Other grant funding sources are generally competitive and involve an extended process to solicit project proposals, award grant funding, and executive funding agreements. However, once awarded grant funds, some recipients complete their projects under budget, or withdraw their request for funding, resulting in the availability of uncommitted funds. The Nonpoint Source Grant Program, and certain bond funds, are examples of programs for which funds may become available that could be used to fund implementation erosion control BMPs. To expeditiously direct these funds to support implementation of erosion control BMPs, any applicable guidelines or requirements adopted by the State Water Board to conduct a competitive solicitation would need to be suspended. Additionally, if funds were appropriated in a budget act for competitive grant programs, Department of Finance approval may be required to utilize the funds for a different purpose.

The draft resolution includes a multi-pronged approach to provide flexibility to quickly direct needed resources to mitigate the potential impacts of excess erosion from burn areas. The focus will continue to be on working with Cal OES to use their established emergency response structure and funding to address the most critical needs. Where funding gaps exist (e.g., local match is not available), State Water Board staff will use uncommitted general obligation bond and other grant funds to support the watershed protection efforts of local government organizations, such as Resource Conservation Districts.

If other available State Water Board funds are not sufficient to address critical funding gaps, Cleanup and Abatement Account funds will be used. The draft resolution proposes to authorize the Executive Director to allocate up to \$3 million of CAA (equivalent to the emergency reserve) to fund post-fire recovery response projects from the 2018 wildfires.

## **POLICY ISSUE**

Should the State Water Board adopt the resolution authorizing the Executive Director and Deputy Director of DFA to seek grant funds and use available funding to support implementation of erosion control best management practices in areas impacted by wildfires?

## **FISCAL IMPACT**

Any funding directed from the CAA, the Nonpoint Grant Program, or bond funded programs to erosion control projects would not be available to fund other qualifying projects. There is a minor fiscal impact on the State Water Board and the Central Valley Regional Water Quality Control Board (Central Valley Water Board) to administer any grants issued.

## **REGIONAL BOARD IMPACT**

Yes. The Central Valley Water Board has been actively seeking funding to support local jurisdictions in their efforts to mitigate the impacts of excess sediment discharge from burned areas. The Central Valley Water Board is coordinating with Cal OES, State and federal fishery agencies, the Division of Drinking Water, and other local, State, and federal agencies to assess areas in most need of restoration to protect drinking water infrastructure and critical salmonid habitat. The North Coast Regional Water Quality Control Board is conducting similar activities for burned areas within its region. As other regions experience wildfires, more Regional Water Quality Control Board staff may be involved in post-fire assessment and recovery efforts in their regions.

## STAFF RECOMMENDATION

Staff recommends that the State Water Board adopt the proposed resolution.

State Water Board action on this item will assist the State Water Board in achieving the policy set forth in section 106.3 of the Water Code. Specifically, subdivision (a) of that section declares it is the established policy of the State that “every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.”

State Water Board action on this item will also assist the Water Boards in reaching Goal 4 of the Strategic Plan Update: Comprehensively address water quality protection and restoration, and the relationship between water supply and water quality, and describe the connections between water quality, water quantity, and climate change, throughout California’s water planning processes.

Finally, State Water Board action on this item will support State Water Board Resolution No. 2017-0012, which was adopted on March 7, 2017 to establish a comprehensive and robust response to climate change that will support California’s ongoing climate leadership. The State Water Board found that “given the magnitude of climate change impacts on California’s hydrology and water systems, our response to climate change must be comprehensive and integrated into all Water Boards’ actions.”